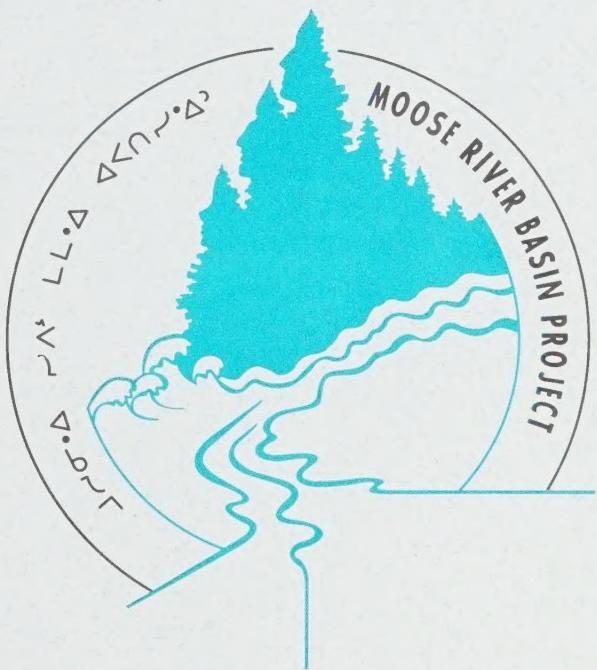


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REPORT OF THE PROVINCIAL REPRESENTATIVE MOOSE RIVER BASIN CONSULTATIONS

by David de Launay
April 1992



**REPORT OF THE
PROVINCIAL REPRESENTATIVE
MOOSE RIVER BASIN CONSULTATIONS**

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© 1995, Queen's Printer for Ontario
Printed in Ontario, Canada

Published by



NEST Communications

Northeast Science & Technology
60 Wilson Avenue
Timmins, Ontario
P4N 2S7

50672
ISBN 0-7778-3853-2
(.2 k PR 15-Feb-95)

Copies of the publication are available from the
Ontario Ministry of Natural Resources through:

Moose River Basin Project

P.O. Box 220
Kapuskasing, Ontario
P5N 2Y3

Cette publication spécialisée n'est disponible qu'en anglais.



OVERVIEW

The Moose River Basin is the watershed formed by the Abitibi, Mattagami and Missinaibi rivers - and their tributaries - which flow into the Moose River. It is bounded in the north by James Bay, where the communities are mainly Cree First Nations, and extends south of Highway 11 from Hearst to Iroquois Falls and down to Timmins.

In 1991, the Cabinet of the Ontario government requested that a three month consultation take place in the Moose River Basin to try to find ways to resolve two issues: planning and resource development, and the potential conflict over specific hydraulic power proposals - Ontario Hydro's redevelopment of the four existing generating stations north of Kapuskasing known as the Mattagami Complex, and two small private proposals.

Aboriginal people and the Moosonee Development Area Board want a basin wide moratorium on all hydraulic development until a co-planning regime is in place and until the cumulative impacts on the environment are assessed.

On the other hand, non-native communities are looking forward to jobs peaking at 650 over five years through the Mattagami Complex redevelopment. As well, that redevelopment was a key element of the deal worked out to allow the employees to take over Spruce Falls Paper in Kapuskasing thus ensuring the region a future.

Meanwhile, the proponents of the two private power, or non-utility generation, proposals have had the rules change on them a number of times.

Through the months of November and December 1991 and January and February 1992, the Provincial Representative met with 200 representatives of First Nations, aboriginal organizations, and the stakeholders identified in the terms of reference. About 100 government staff and officials from crown corporations were also involved.

Three themes emerge from the consultations with non-aboriginal people in the basin:

- job creation;
- simplifying the planning process, the permits and red tape, and especially the environmental assessment process; and
- grappling with the impacts of aboriginal self-government.

Future planning in the Moose River Basin will have to take into consideration the uniqueness of Moosonee - a community on the James Bay coast with a mainly native population, yet not a First Nation - and the complexity of Moose Factory Island, including the situation of the Mocreebec - Cree originally from Quebec whose treaty rights emanate from the 1975 James Bay Northern Quebec Agreement which doesn't apply to Ontario, thus leaving the Mocreebec in jurisdictional limbo.

Ontario Hydro's present plans for hydraulic development in the Moose River Basin are very small compared to those of Quebec or even Manitoba. However, the proposed redevelopment of the Mattagami Complex raises the same political issues: the rights of aboriginal people to self-government over their traditional areas, and a say over development that will affect them. Until these questions are dealt with, it is difficult to discuss the Mattagami Complex on its environmental, energy and job creation merits.

The two hydraulic non-utility generation (NUG) proposals outlined in the terms of reference have been caught in the large agendas and concerns of natives and government. Ontario Hydro is prepared to negotiate with some hydraulic NUGs in the basin. Aboriginal leaders have indicated a willingness to discuss these two specific proposals. The government needs to determine the best approach to ensure the environmental viability of the projects.

The report has sections on environmental and economic issues, and concludes that they are both separate from, and linked to, governance issues.

The report concludes that the government should try to meet the needs of aboriginal and non-aboriginal people, and its commitments to investors.

Meeting the aboriginal needs will require progress on the principal issues of grievances over past development; assessing cumulative effects of development on the environment; and self-government with its implications for co-planning.

Meeting the non-aboriginal needs will require helping to create jobs; determining appropriate mechanisms to include non-natives in, and develop their trust for, the new planning regime that respects aboriginal rights; and developing a workable environmental assessment process.

Over the next few years, a new co-planning regime which recognizes the role of First Nation governments needs to be established, as well as the basis to assess the cumulative environmental impacts of development. At the same time, every community - aboriginal and non-aboriginal - wants some development and some jobs. Instead of moratoriums on development, the Province needs to systematically address - with First Nations and others - the range of long and short term needs.

The report recommends that, while long term planning and immediate hydraulic developments pull in different directions, only by making progress on the planning issues will progress be made on the hydraulic developments.

A number of related but separate advances must be made, particularly:

- establishing aboriginal self-government in the area, which defines the role of natives and their organizations in co-planning and co-management;
- establishing on-going discussion between aboriginal and non-aboriginal residents and interests who share the land and resources in the basin;
- developing, over time, an assessment of the cumulative impacts of development in the basin on the environment;
- co-ordination and initiation of government and private sector economic development initiatives, including joint ventures with First Nations;
- addressing aboriginal grievances about past development; and
- measures to deal with the Mattagami Complex and the two proposals from the private sector for non-utility-generators.

Each process has its own dynamics. Their interweaving will provide opportunities to make fundamental advances. The report outlines eight areas of activity with specific recommendations and a number of first steps. The government needs to establish mechanisms to co-ordinate the activity where possible or appropriate, and move decisively when needed.

The report concludes on a cautiously optimistic note. Goodwill exists locally and with the government, but it is fragile. As in any complicated process, quiet diplomacy and trust will go far in bringing the different interests together.

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INTRODUCTION

The Moose River Basin is the watershed formed by the Abitibi, Mattagami and Missinaibi rivers - and their tributaries - which flow into the Moose River. It is bounded in the north by James Bay, the coastal home of Cree First Nations, and extends south of Highway 11 from Hearst to Iroquois Falls and down to Timmins.

The Moose River Basin is a fascinating representation of northern Ontario. Aboriginal people in the basin and up the coast number 10,000. Some live in isolated communities, and others close to, or within, urban centres. The non-native population is about 80,000. Over half live in Timmins, one of northern Ontario's five large centres. While Timmins is one of the richest mining areas in the world, the other communities, such as Kapuskasing with its employee-owned Spruce Falls Paper mill, are dependant on forestry. Tourism often plays an important role, as in Moosonee or Cochrane, the terminals of the Polar Bear Express.

In 1991, the Cabinet of the Ontario provincial government requested that a three month consultation take place in the Moose River Basin to try to find ways to resolve two issues: planning and resource development in the basin, and the potential conflict over specific hydraulic proposals - the redevelopment of the four existing generating stations north of Kapuskasing known as the Mattagami Complex and two small private proposals, one on the Mattagami River, near Smooth Rock Falls and one on the Abitibi River, near Cochrane and New Post First Nation.

Aboriginal people and the Moosonee Development Area Board want a basin wide moratorium on all hydraulic development until a co-planning regime is in place and until the cumulative impacts on the environment are assessed.

On the other hand, non-native communities are looking forward to jobs peaking at 650 over five years through the Mattagami Complex redevelopment. As well, that redevelopment was a key element of the deal worked out to allow the employees to take over Spruce Falls Paper in Kapuskasing thus ensuring that town and region a future. Meanwhile, the proponents of the two private power, or non-utility generation, proposals have had the rules change on them a number of times.

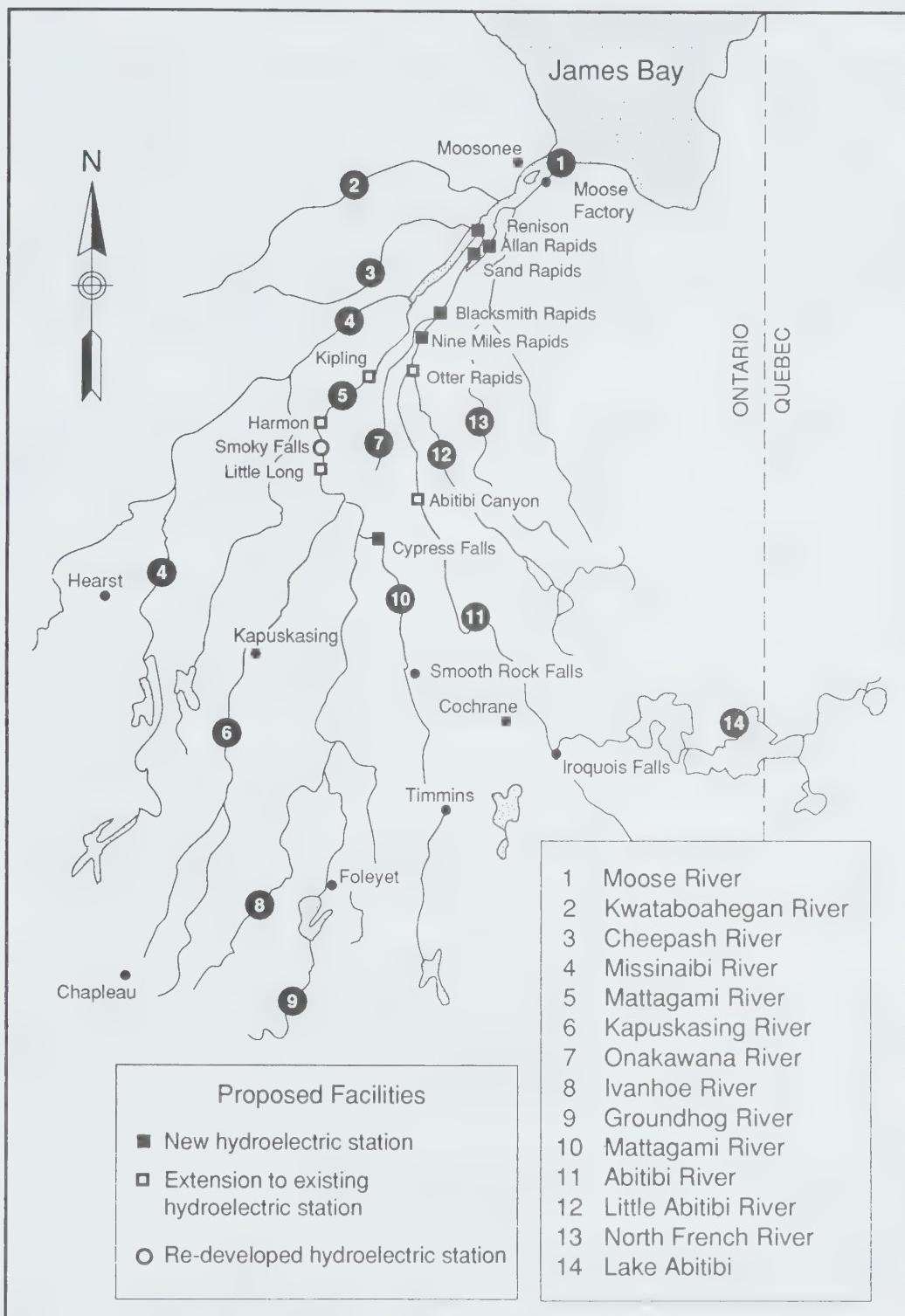
As the results of this consultation will show, the government should try to find solutions that meet the needs of aboriginal and non-aboriginal people in the basin and its commitments to investors.

Meeting the aboriginal needs will require progress on the principal issues of grievances over past development; assessing cumulative effects of development on the environment; and self-government with its implications for co-planning.

Meeting the non-aboriginal needs will require helping to create jobs; determining appropriate mechanisms to include them in, and develop their trust for, the new planning regime that respects aboriginal rights; and developing a workable environmental assessment process.

As this report will indicate, the environmental concerns and economic development - while separate to some extent - are also linked to the larger governance issues involved in establishing a new planning regime.

Most people in the basin want development to take place. However, the consultations indicate that development should proceed in a manner acceptable to the aboriginal and non-aboriginal inhabitants of the basin and the environment.



Moose River Basin

TERMS OF REFERENCE

On July 31, 1991, Cabinet requested that a provincial representative, reporting to the Minister of Natural Resources and the Minister responsible for Native Affairs - and directed by that Minister and the Minister of Energy - be appointed to carry out consultations for three months involving:

- 1) the Ontario Government, Ontario Hydro, the Federal Government, First Nations and Aboriginal organizations in the Moose River Basin including the Moose River/James Bay Coalition as well as;
- 2) other local stakeholders (e.g. labor, industry including mining, forestry and tourist operators, local residents, recreational users) and municipalities (including affected Highway 11 corridor communities).

concerning:

appropriate decision making mechanisms for the proposed redevelopment of the Mattagami complex; and future planning and resource development in the Moose River Basin.

The goal of the three month consultation was twofold:

to identify issues requiring resolution and to propose appropriate remedies and courses of action to address long term planning and development issues in the Moose River Basin; and

to allow for decisions to be made, in an acceptable and expeditious manner, on the Environmental Assessment for the proposed redevelopment of the Mattagami Complex and those proposed at Long Sault Rapids and Yellow/Island Falls, on the Abitibi and Mattagami rivers.

PROCESS

On October 25, 1991, the Minister of Natural Resources announced that David de Launay had been assigned the task of carrying out the consultations.

Through the months of November and December 1991 and January 1992, the Provincial Representative met with 150 representatives of First Nations, aboriginal organizations, and the stakeholders identified in the terms of reference. Most of these people were seen at least twice, and some more often, either through direct meetings or presentations in larger forums.

About 40 field staff of the Ministries of Natural Resources (MNR), Northern Development and Mines (MNDM), Environment (MOE) and Tourism and Recreation (MTR) provided valuable input, as did the two Members of Provincial Parliament for the area.

In Toronto, discussions took place with 60 staff from the Ontario Native Affairs Secretariat, Ministry of Energy, MNR, MNDM, MOE, MTR, Treasury and Cabinet Office; staff from the Premier's Office and affected ministers' offices; Federal civil servants from the Department of Fisheries and Oceans and the Department of Indian and Northern Development; as well as officials from Ontario Hydro, the Ontario Energy Corporation and the Ontario Northland Transportation Commission.

In February, another 50 aboriginal, community, government and Ontario Hydro representatives were included in the discussions, as well as the Chairman of the Commission on Planning and Development Reform in Ontario.

The candour of these 300 people has gone a long way to unravelling the complexities that make up the Moose River Basin. Staff in the field are to be commended for going out of their way to ensure the success of such an ambitious consultation in such a tight timeframe.

A draft report of the consultations was circulated among ministries. Wide ranging exchanges led to this final report.

As in any consultation - especially a brief one like this - more people could be seen. The consultations and this report are but the first step in an on-going process that will affect everyone in the basin.

ISSUES

Future planning and resource development and immediate hydraulic projects pull in different directions:

The two mandates and goals of the consultations pull in different directions. On the one hand, there is the broad and future issue of long term planning and resource development. On the other hand, there is the more narrow and more immediate issue of hydraulic development in the basin.

The long term planning question raises significant issues such as:

- the relationship of watershed planning to aboriginal self-government with its implications for some native jurisdiction over land and natural resources and for new co-planning and co-management arrangements between aboriginal people and the government;
- the role of non-aboriginal residents and interests in new co-planning and co-management arrangements;
- the question of how much actual power and decision making the province is willing to devolve to local municipal governments, unorganized communities and the Moosonee Development Area Board which has its own enabling legislation;
- the relationship of watershed planning to the environmental assessment process, which in itself is a planning process especially when tackling such matters as timber management, Ontario Hydro's 25 year Demand/Supply Plan, or cumulative environmental impacts in a watershed or larger area;
- the relationship of planning models and proposals arising from this exercise and the proposals that result from the Commission on Planning and Development Reform in Ontario; and
- the role of crown corporations such as Ontario Hydro, the Ontario Energy Corporation and the Ontario Northland Transportation Commission in planning processes that may put local or regional needs ahead of the corporations' commercial mandates.

If the immediate question of hydraulic development could be handled in isolation from planning, there would be three sets of negotiations: one on Ontario Hydro's Mattagami Complex redevelopment; one on the Long Sault Rapids proposal; and one on the Yellow/Island Falls proposal.

However, the conclusion reached after these consultations is that the hydraulic projects cannot go ahead without tackling the larger policy issues. At the same time, past commitments to the Mattagami hydraulic complex and certain private hydraulic proposals means that the government must find a way to develop a new planning and resource development approach to the basin and have the specific proposals move forward.

Aboriginal concerns related to future planning and resource development:

Aboriginal people lived in the basin as self-governing societies, prior to the arrival of Europeans three centuries ago. The fur trade changed life in the basin and on the coast dramatically. Then, in the early 1900s, industrial development etched the area with railways, mines, pulp and paper mills and hydro-electric power dams. The Cree and Ojibway were almost never involved, but always greatly affected.

As we near the 21st century, the stage is set to learn from the past, recognize aboriginal rights and set the stage for an era of unprecedented co-operation and mutually satisfactory development in the Moose River Basin.

There are nine Cree and Ojibway First Nations in the Moose River Basin. At the south end of the basin are the following six members of the Wabun Tribal Council (WTC):

First Nation	On-reserve pop.	Off-reserve pop.
Wagoshig	115	300
Matachewan	100	338
Mattagami	200	300
Brunswick House	140	425
Chapleau Ojibway	28	29
Chapleau Cree	0	207
		(according to WTC)

The reserves of these First Nations are close to non-native communities and to industrial and transportation infrastructure development.

The Mushkegowuk Tribal Council covers all the Cree communities on the James Bay coast, as well as New Post First Nation near Cochrane, and Peawanuk near Hudson Bay. Three members of the Mushkegowuk Tribal Council are in the Basin:

First Nation	On-reserve pop.	Off-reserve pop.
New Post	66	97
Moose Factory	1,282	1,112
Mocreebec	no reserve	900

Moose Factory First Nation is on Moose Factory Island near James Bay. Mocreebec exists on Moose Factory Island as well but is not recognized as a band by the federal government and has no reserve. There is almost no industrial development in the area. A railroad connects Moosonee, on the river bank across from the island, with Cochrane.

Other members of the Mushkegowuk Tribal Council up the coast and outside the basin are:

First Nation	On-reserve pop.	Off-reserve pop.
Albany and Kashechewan	1,499	1,036
Attawapiskat	1,136	884
Peawanuk	109	62

Access to these communities is limited to barges in the summer, winter roads and year-round plane service.

These Cree communities - except for the Mocreebec - are among the 46 First Nations covered by Treaty #9, signed in 1905, and its subsequent adhesion of 1929. They are represented by the Nishnawbe-Aski Nation (NAN) which was founded in 1973.

While the Treaty #9 First Nations present a complicated picture, they are only one piece of the puzzle.

Mocreebec is made up of Cree originally from Quebec now living in Moosonee and Moose Factory. It is not a signatory to Treaty #9. Although Mocreebec members have lived in Ontario for years, their only treaty rights emanate from the 1975 James Bay Northern Quebec Agreement - which doesn't apply to Ontario, since the Province was not a signatory to the Agreement.

Mocreebec is not recognized as a band by federal Indian Affairs. It has no reserve and does not receive federal government payments. In 1985 and 1986, the federal government studied the situation, and hardship, of the Mocreebec. Ontario has yet to enter into the jurisdictional quagmire that has left the Mocreebec in limbo.

As well, there are 14 chapters of the Aboriginal Peoples Alliance of Northern Ontario (APANO), including Beaver House, an Aboriginal community on crown land without a reserve. APANO argues that the inherent aboriginal rights of its members, particularly the Metis, include claims to land in the Moose River Basin based on scrips - the federal system of giving Metis land.

APANO claims that self-government includes their right to control health care and education. In the Spring of 1991, the Province and the federal government signed an agreement on economic development with the Ontario Metis and Aboriginal Association, to which most APANO chapters belong.

Another organization has recently been formed, the Aboriginal Urban Alliance, whose self-stated mandate is to represent status Indians off-reserve. The AUA argues that the needs of members of First Nations who live off-reserve are not being met by the First Nations or OMAA and thus the AUA fills an important role.

As well as First Nations, tribal councils and political organizations, aboriginal social and cultural organizations exist such as friendship centres, family services like Payukotayno, legal services and the Ojibway and Cree Cultural Centre in Timmins.

On the economic front, some First Nation have an economic development corporation as does the Mushkegowuk Tribal Council. The Nishnawbe-Aski Development Fund, which provides loans and loan guarantees to businesses within NAN, has an office in Timmins. The Omushkegowuk Harvesters Association represents those involved in traditional harvesting such as trapping.

Despite the diversity of organization, the First Nations of the Mushkegowuk Council generally have the lead on both self-government/co-planning matters and hydraulic issues, partly because of geography and history and partly because of organization and leadership.

In 1990, First Nations and predominantly aboriginal organizations on the coast set up the Moose River/James Bay Coalition to oppose hydraulic development in the basin.

Three principal issues emerge from the consultations with aboriginal people in the basin:

- self-government negotiations, which will define the native jurisdiction and their role in the co-planning and co-management of resources;
- grievances over past development; and
- addressing the cumulative impacts on the environment of the diverse development in the basin.

Aboriginal self-government:

The consultations began in Moose Factory with the Moose River/James Bay Coalition. Coalition spokespeople - including Randy Kapashesit, the Chairman of the Coalition and the Chief of the Mocreebec, Norm Wesley, the Chief of the Moose Factory First Nation, and Stan Louttit, presently the Acting Chairman of the Mushkegowuk Council - hammered home a theme that would arise in every future discussion, whether with aboriginal people or non-aboriginal stakeholders:

First Nations and aboriginal organizations will not enter into discussions about future planning and resource development unless

they are in the context of self-government negotiations, which will define the native jurisdiction and their role in the co-planning and co-management of resources.

Generally, First Nation representatives on the coast use the model of the 1975 James Bay Northern Quebec Agreement which establishes an area in which a First Nation has exclusive jurisdiction; a larger surrounding area where co-planning and co-management with the provincial government take place; and a yet larger area where First Nations would have input.

Aboriginal self-government is on Canada's political agenda. In a post-Oka Canada, First Nations - growing in both population and organization - are determined that their desires for self-government be realized.

Furthermore, First Nations now approach issues of jurisdiction - such as their role in planning and natural resource development - in the context of self-government. Put another way: asking First Nations to participate in co-planning without recognizing aboriginal self-government is like management asking a union to take part in co-planning of workplace rules, without first determining that the union will be the bargaining agent.

Like other governments, Ontario is developing definitions and practical applications of aboriginal self-government, in part through direct negotiations.

In 1986, the Nishnawbe-Aski Nation (NAN) signed a Memorandum of Understanding with the federal and provincial governments to negotiate self-government. Dr. Robert Rosehart, the President of Lakehead University in Thunder Bay, is negotiating for the Province.

A key challenge for the Ontario government and for the Nishnawbe-Aski Nation will be to find a way to move the situation forward in the Moose River Basin and on the James Bay coast without undermining the negotiations for a framework agreement on land and natural resources that covers all the NAN communities.

Grievances over past development:

Past developments in Ontario have left a legacy of mistrust with aboriginal people. Their traditional ways of life - living close to the land and hunting, fishing, trapping and gathering wild plants - have been disrupted by the forestry industry, mining, hydraulic, railway and road construction.

Aboriginal people argue that past development has negatively affected their lives and the environment. They seek redress for their grievances. First Nations also want to negotiate grievances over past developments with Ontario Hydro.

Environmental impacts:

Aboriginal people also raise environmental concerns. Every native in the basin has stories to tell about negative impacts of development upon fishing or trapping or other traditional pursuits. Reinforcing tales from Quebec and Manitoba abound. Community sites, graveyards and traplines in those Provinces have been flooded because of dam construction.

Much has been written concerning the environmental impacts of the hydraulic development in neighbouring provinces. There is a fear that Ontario will follow suit - a concern grounded in past development that has not put a high priority on the environment.

Aboriginal people worry that present environmental assessment processes will not adequately protect the watershed because they don't address the cumulative impacts of the diverse development in the basin. Many also are concerned that all the developments in the watersheds that flow into Hudson and James bays produce cumulative impacts on the environment. No studies exist on what is known as the Hudson and James bays bioregion.

Moosonee and Moose Factory Local Services Board:

Moosonee has unique characteristics. In 1932, the Ontario Northland Railway completed a line from Cochrane to the west bank of the Moose River, near Moose Factory Island. A community developed, Moosonee,

driven by non-native businesses, the Catholic Church and provincial government services. In 1973, the Ontario Legislature created the Moosonee Development Area Board (MDAB). While about 80 per cent of its population is Cree from communities on both the Ontario and Quebec sides of James Bay, it is not a First Nation.

The community cherishes its isolation, although some support the construction of a road link to the south. The Moosonee Development Area Board opposes the Hydro developments, but dropped out of the Moose River/James Bay Coalition. Its main concern is that the environment not be damaged, and demands that cumulative impacts be determined before any development proceed.

Recent elections have resulted in a predominantly native Moosonee Development Area Board with a band member from Fort Albany as the Chair. The new board has passed a resolution requesting that the Mattagami Complex and all private hydraulic development be included in a basin-wide moratorium and co-planning program.

Moose Factory Island is divided among three jurisdictions. The north half is the reserve land of the Moose Factory First Nation. In 1672-73, the Hudson's Bay Company built a fur trading post (the first Ontario settlement) on Moose Factory Island. The fort acted as a magnet to the nomadic Cree who settled on the island. At the south end, the federal government runs a hospital which it built in the 1940s.

In between is an area under provincial jurisdiction, that used to be owned in part by the Anglican Church and in part by the Hudson's Bay Company. The Mocreebec live in this area (on the former Anglican Church land) as do other natives. A Local Services Board is the form of local government. It's yet another complication in the world at the mouth of the Moose River.

Any future planning in the Moose River Basin will have to take into consideration the uniqueness of the community of Moosonee and the complexity of Moose Factory Island.

Concerns of other local stakeholders (e.g. labor, industry including mining, forestry and tourist operators, local residents, recreational users) and municipalities (including affected Highway 11 corridor communities):

Industrial development began in the Moose River Basin at the turn of the 20th century. Between 1903 and 1909, the government-established Temiskaming and Northern Ontario Railway (today's Ontario Northland) built a railway from North Bay to Cochrane, and extended it to Moosonee two decades later.

By 1909, prospectors like Hollinger and McIntyre had discovered rich gold fields in the area of Timmins which was incorporated as a town in 1912. Timmins has grown into one of the world's largest mining centres.

Cochrane also owed its existence to the construction of another government owned railway, the National Transcontinental Railway (NTR). The federal government saw the NTR as the way to link the West with Atlantic ports, and to open up the northern frontiers of Ontario and Quebec. Hearst, incorporated in 1922, started out as a stop on the NTR line. The National Transcontinental was absorbed by the Canadian National Railway in 1923.

In 1915, Abitibi Power and Paper Company built a company town at Iroquois Falls - the first of its kind in northern Ontario - to provide a workforce for its pulp and paper mill and power dam. Abitibi was followed in 1923 by Kimberly-Clark. In a partnership with the New York Times, the American forest products giant set up the Spruce Falls Power and Paper Company and built the self-titled "Model Town of the North" at Kapuskasing.

The first hydraulic power stations in the basin were built in 1911 and 1912 near Timmins. By 1925, a total of eight were in service on the Mattagami and Abitibi rivers, with 153 MW of installed capacity. In 1933, Abitibi Canyon started up with the basin's largest capacity (presently 293 MW).

From 1961 to 1966, Ontario Hydro built the Little Long (122 MW), Kipling (136 MW) and Harmon (136 MW) generating stations on the Mattagami River, and Otter Rapids (175 MW) on the Abitibi River. By 1990, there were 15 generating stations in the basin, all on the Mattagami and Abitibi rivers. Ten are run by Ontario Hydro and five by pulp and paper companies.

Industrial development in the Moose River Basin occurred much earlier, and has been more thorough, than in watersheds flowing into James and Hudson bays in the adjoining provinces of Quebec and Manitoba. About 80,000 non-natives live in the basin in numerous incorporated municipalities.

By contrast, in Quebec, modern industry began in the 1970s when Hydro Quebec wanting to develop massive amounts of hydraulic power for internal consumption and export. In Manitoba, northern hydraulic development began a decade earlier with the construction of the Grand Rapids Dam, followed in the 70s by the diversion of the Churchill River into the Nelson and the construction of generating stations including the 1,280 MW Limestone project.

Thousands of non-natives have been in the basin - working and building communities - for over four generations. The industrialization of the basin began about the same time as homesteading in Alberta. The toughness and self-sufficiency of the pioneering spirit is still apparent. As well, many have been through booms and busts characteristic of the resource industries.

All of the municipalities in the basin (as well as Moosonee, although it doesn't have representation at most meetings) come together as members of the North Eastern Ontario Municipal Association (NEOMA).

The municipalities also have economic development groups, usually funded by the Ministry of Northern Development. They are important to any future planning because they focus on economic and development issues. They have good links with local businesses and Chambers of Commerce.

Three themes emerge from the consultations with non-aboriginal people in the basin:

- job creation;
- simplifying the planning process, the permits and red tape and especially the environmental assessment process; and
- grappling with the impacts of aboriginal self-government.

Concerns related to future planning and resource development:

Labor's main interest is jobs. Two labor councils - Timmins and Kapuskasing - cover the area. The unions with the largest memberships in the resource industries are the United Steelworkers of America (USWA), the Canadian Paperworkers Union (CPU) and the International Woodworkers of America - Canada (IWA). Only one of the construction unions - the Laborers' International Union of North America - has an office in the area. The creative experience of the employee take-over of Spruce Falls Paper Company has led to an openness about seeking solutions from the unions in the Kapuskasing area.

If mining and forestry industry leaders have one wish, it is to simplify the processes required to proceed with development. Some suggest lower standards. Most are willing to accept high standards but demand a clear, simple, time limited process.

As well, the mining and forestry industries do not support the establishment of a regional or basin-wide level of planning if it means yet another layer of bureaucracy. On the other hand, if it would result in a simplification of the planning and review process, industry leaders are sympathetic.

Tourist operators have mixed views. Many - such as outfitters - depend on the natural environment for their business and tend to take a more pro-environment, anti-development stance. On the other hand, one of the fastest growing areas is snowmobile tours and trails. Motel operators rely on fishermen and hunters during certain seasons, but like construction workers to fill their rooms in the off-seasons.

The local residents are likewise torn, often within themselves. Much of the appeal of the North is its natural beauties, and recreation such as fishing. On the other hand, development brings the needed jobs.

Elected municipal leaders support job-creation and the call for the simplification of planning, approvals and environmental assessment processes. They are not pushing for a regional or basin-wide planning approach or for more power at this time. However, increased northern governance is always an issue that can be rekindled in the North.

There are different interests between Timmins and the communities along Highway 11. Timmins is dependant on mining; the others mainly on forestry. Timmins is the regional centre and has a population of 47,000. The others worry that Timmins will benefit from any development. They press for decentralization not re-centralization. Inter-community rivalries exist as well. Differences can always be detailed. Finding common ground is the challenge.

Concerns related to Aboriginal self-government:

There is an acceptance that aboriginal self-government is an issue that must be resolved. For example, the Laborers' union representative talked about aboriginal quotas despite union contracts. The head of the prospectors and developers group says the government should get on with it. Some business people talk about building bridges and see growth potentials.

Most accept that aboriginal people have rights that have been denied. Some question whether aboriginal people have inherent rights and claims to land and resource control. Many are worried that aboriginal control will greatly limit their access to natural resources. However, some see the future as one of joint ventures with natives.

Presently, the Nishnawbe-Aski Nation Interim Measures Agreement (IMA) is a sore spot. Negotiated in 1990, the IMA is meant to allow NAN First Nations a thirty day period to comment on development proposals. However, First Nations are finding that they do not have the resources to review proposals. So, in some cases, development is not going ahead even under the terms of the IMA. Both natives and non-natives hope that the self-government negotiations with NAN will lead to a replacement regime.

Mining spokespeople also reacted to a January 1992 resolution passed at the NAN Chiefs meeting in Timmins which called for a moratorium on all development until the NAN self-government negotiations are completed.

This call for a moratorium helped to bolster the enthusiasm of the organizers of a campaign, initiated by the prospectors and developers, entitled "Save Our North" aimed at putting pressure on the government to create a climate in the North for the private sector to create jobs. Part of this campaign is a concern about an increased aboriginal control over land and natural resources.

Some support more local resource management, including by natives, but want control and standard-setting to remain with the provincial government which - as the argument goes - is the only body capable of managing resources in the best interests of all the people.

Non-aboriginal people generally think that resources and payments under the Indian Act and other programs should be decreased as native control over land and natural resources increases. As well, they suggest that a phase-in period is needed to transfer control and management and for natives to be trained in the skills that will be needed under self-government.

Non-native communities and third parties stressed that they needed to be kept up-to-date on self-government discussions. They want to meet with aboriginal leaders and organizations. They appreciate the "building bridges" initiatives organized by the Cree on the coast such as at the 1991 Northern Ontario Tourist Operators convention. They want to feel included in, and trust for, the process.

Disagreements will emerge as specific proposals come forward. However, there is a real opportunity in the basin to build mutual understanding. At the same time, the recent opposition by prospectors' representatives to the NAN Chiefs' call for a temporary moratorium on development indicate how fragile the situation can be when trying to find mutually agreeable solutions between competing interests.

Ontario Hydro's proposed hydraulic development:

According to First Nations on the James Bay coast, they first learned about Ontario Hydro's plans for northern hydraulic development through a leaked document in 1989. The aboriginal people feared that the corporation was contemplating damming the Albany, Attawapiskat and Winisk Rivers as well as increasing generation in the Moose River Basin.

Many people on the Ontario side of James Bay have relatives or friends on the Quebec side who have suffered from negative impacts of the Quebec La Grande scheme. Others share stories with natives in northern Manitoba who are unhappy with the affects of megaprojects like the Churchill-Nelson diversion. Aboriginal reaction was quick and united: "no dams".

At the environmental assessment hearings into the 25 year Demand/Supply Plan, Ontario Hydro made it clear that it only wanted to proceed with twelve projects in the Moose River Basin: five extensions of existing dams (Little Long, Harmon and Kipling on the Mattagami River and Abitibi Canyon and Otter Rapids on the Abitibi River), one redevelopment (Smoky Falls on the Mattagami) and six new dams.

The existing six generating stations produce 918 megawatts (MW) of power. Their redevelopment will bring 1,015.8 MW of power. The six new generating stations would provide another 874.2 MW of power, for a total of 1,890 MW of new capacity from the Moose River Basin.

On September 24, 1991, Ontario Hydro pulled back from that position. It took off the table - until a process of co-planning studies for the basin is in place - all but the extensions of three hydraulic generating stations (Little Long, Harmon and Kipling) and the redevelopment of a fourth, its recently purchased Smoky Falls.

These four generating stations are on the Mattagami River, north of Kapuskasing, and are known as the Mattagami Complex. Presently this complex generates 450 MW. An additional 379 MW will be produced - one-fifth the original new generation desired by Ontario Hydro.

However, many question the crown corporation's "true intentions". Ontario Hydro is often not trusted in the Northern Ontario. Many, particularly aborigines, see it as a huge corporation which feeds power to the hungry urban areas of the south and neglects the North. That image will not change overnight. Even well-intentioned actions are viewed with suspicion.

In February 1992, the Chairman of Hydro met in Moose Factory with aborigines and in Moosonee with the Development Area Board. The frank, open discussions will hopefully begin a new era of trust building.

One of the key issues for First Nations is their grievances with Ontario Hydro over the damages allegedly caused by past developments. In February, in Moose Factory, the corporation's chairman indicated that the utility is willing to discuss these grievances.

The aboriginal opposition to hydraulic development has a great deal of public support. The Cree benefit from the post-Oka wave of sympathy for aboriginal rights. They can also count on mounting public outrage with the massive flooding and impacts on traditional ways of life caused by Hydro Quebec's La Grande development. The Quebec Cree are gaining friends and headlines in their fight to stop James Bay Two, the Great Whale phase.

In March 1992, the New York Power Authority cancelled its \$17 billion agreement to buy power produced from Great Whale, citing economics. The Quebec government is insisting that the project will go ahead. The Cree in Quebec are claiming victory.

On the other side of the issue, non-native communities along Highway 11 see the Ontario Hydro projects as the only significant source of jobs over the next decade. In particular, Kapuskasing and five communities within 70 miles (organized as the 6/70 Economic Development Committee) will benefit for five years from the Mattagami redevelopment and its construction jobs that peak at 650.

Ontario Hydro's plan for 12 projects in the Moose River Basin have the benefit of being a staged construction project that would ensure more stable employment levels over 25 years.

The Mattagami Complex:

Ontario Hydro's Mattagami Complex project will not establish any new dam sites, nor divert any rivers, nor cause any flooding. Total power production will add 379 MW to the existing 450 MW. The power will not be produced for export but to meet Ontario's energy needs.

The Quebec James Bay hydraulic developments are extremely different - in scope, in purpose and in effects. Nine dams have already been built in the Quebec La Grande development, producing over 10,000 megawatts of power. Another six dams and 4,500 MW on the river are being developed. Quebec's James Bay II - the Great Whale project - will result in 3,000 MW and five dams. Phase III - the Nottaway-Broadback-Rupert project will produce 16 dams and over 9,000 MW. Over 23,000 square kilometres will be flooded in total and 20 rivers will be diverted. Quebec will export much of this power.

Even compared to Manitoba, Ontario Hydro's present plans are limited. The Limestone station on the Nelson River generates about 1,300 MW. The proposed Conawapa project will produce 1,400 MW, 1,000 of which Ontario Hydro will buy. (While the purchase of Manitoba power is not specifically included in the terms of reference of this consultation, new transmission lines may be built in the basin to carry the power to southern Ontario.)

Even though Ontario Hydro's present plans are very small compared to Quebec's, the proposed redevelopment raises the same political issues: the rights of aboriginal people to self-government over their traditional areas, and a say over development that will affect them. Until these questions are dealt with, it is difficult to discuss the Mattagami Complex on its environmental, energy and job creation merits.

The redevelopment of the Mattagami Complex raises environmental issues, questions about who benefits from the construction activity and the issues of aboriginal self-government and grievances over past development.

The best way to deal with the environmental concerns is through the environmental assessment process and beginning to determine cumulative impacts. Ontario Hydro should address the areas of grievances and economic benefits from the Mattagami Complex.

The Province and the federal government need to negotiate land and resource agreements with aboriginal people in the context of Aboriginal self-government.

Some limited mixed signals emerge on the proposed Mattagami redevelopment and the two private proposals for hydraulic generation. While the public position is against all dams, the Ontario Hydro proposals for the construction of new dams are seen by the natives as far more threatening.

As well, the aboriginal leadership perceives a window of opportunity and wants to move their agenda forward through negotiations with this government.

However, without progress on the principle issues of grievances, assessing cumulative effects on the environment and self-government with its jurisdictional implications, there will be little room to move on the limited hydraulic proposals.

Economic benefits - especially jobs and training - are considered insufficient if self-government, grievances and the environment are not addressed.

In Canada, the approach of governments and utilities to the relationship of resource development and aboriginal concerns has moved through a number of phases: neglect; mitigation and compensation; and more recently economic benefits. Today, aboriginal control must be addressed. Both aboriginal self-government and joint ventures between First Nations and developers are on the agenda.

Hydraulic non-utility generation:

Because non-utility generation (NUG) is developed by the private sector, it is difficult to discuss their situation without straying into areas of financial and commercial confidentiality.

What can be said is that the two hydraulic NUGs outlined in the terms of reference - the 14.5 MW N-R Power proposal at Long Sault Rapids on the Abitibi River near Cochrane and the New Post First Nation and the 12 MW Yellow/Island Falls proposal on the Mattagami River south of

Smooth Rock Falls - have been caught in the large agendas and concerns of natives and government.

In response to the requests of First Nations in the basin and their desire to have a moratorium on all hydraulic development, the Cabinet decided to make the two NUGs subject to the Environmental Assessment Act. The government also informed the proponents that these consultations would establish the conditions under which the projects would move forward.

The NUGs have to go through three processes: one with Hydro, one concerning aborigines and one about the environment.

Ontario Hydro is prepared to negotiate with some hydraulic NUGs in the basin. On February 7, 1992, Ontario Hydro announced that in its revised strategy for non-utility generation, it would accept proposals for five MW or less, hydraulic projects over five MW and re-open negotiations with the 13 projects with status to negotiate put on hold in December 1991. One of those is the Long Sault Rapids proposal.

N-R Power is awaiting the results of this consultation to move ahead. The proponents of the Yellow/Island Falls proposal are presently in discussions with Ontario Hydro to have their status clarified.

Aboriginal leaders have indicated a willingness to discuss these two specific proposals. The government needs to determine the best approach to ensure the environmental viability of the projects.

Other economic development:

Other government initiatives are looking at planning and development in mining, forestry and tourism. There will be no specific recommendations on these sectors in this report - not because they are not important, but because the other initiatives will do them more justice. However, progress in the Moose River Basin should involve these sectors and a review of the initiatives addressing these sectors.

The James Bay coast is poised on the brink of an economic boom. Today's decisions will reverberate for years. Self-government land and resource negotiations will help establish great potential for growth in these communities.

Government should assess its role in helping develop a stronger economic base. In particular, government should look for opportunities for itself, agencies or the private sector to support native economic development that would help move towards the self-sufficiency that is important to self-government. For instance, tourism-related proposals may be an important component of any future development.

The government should consider supporting traditional harvesting as part of developing the local economy. The Omushkegowuk Harvesters Association has a proposal before the government to provide income security to those who take up traditional aboriginal harvesting practices, particularly trapping. It is based on the program in the 1975 James Bay Northern Quebec Agreement.

Assessing cumulative environmental impacts:

Aboriginal people, the community of Moosonee, tourist operators who rely on recreational pursuits such as fishing, and many individuals raised significant concerns about the environment. They argue that site specific environmental assessments do not tell the whole story.

Projects, such as hydroelectric generating stations, may have significant effects downstream. More than one project on a river system may have significant effects on a watershed. Access created by road construction will add to the impacts, as will new mines or industry.

Complications arise in trying to define cumulative effects, particularly the area of study. For instance, some argue that the Hudson and James bays and all the rivers flowing into them are one water system which needs to be studied before any development can go ahead. In a letter dated 18 May 1990, New Post and Moose Factory First Nations asked the federal government to undertake such an assessment.

Presently three non-governmental organizations - the Canadian Arctic Resources Committee, the Environmental Committee of Sanikiluaq and the Rawson Academy of Aquatic Sciences - are looking at sustainable development in the Hudson and James bays bioregion.

Secondly, carrying out the field studies will be both time-consuming and expensive. Funding sources will be an issue. For instance, the Province, the federal government and Ontario Hydro have an interest in the basin, as does the private sector. As well, money has been made available to intervenors in the environmental assessment of Ontario Hydro's 25 year Demand/Supply Plan that might possibly be used for cumulative effects studies.

Furthermore, mechanisms and processes must be developed to involve aboriginals and interested parties in the development of the assessment of cumulative impacts.

This report does not go into detail on the scope of assessing cumulative effects. This is a task better left to the appropriate ministries. However, progress must be made on such an assessment, if development is to proceed without strong environmental based opposition, both aboriginal and non-aboriginal.

RECOMMENDATIONS

The Moose River Basin provides an opportunity for this government to set a model - to resolve planning, environmental, aboriginal and development issues in a manner acceptable to all parties.

Goodwill exists locally and with the government, but it is fragile. There is a desire to resolve issues on all sides, although the possibility for misunderstanding or rash action is present. As in any complicated process, quiet diplomacy and trust will go far in bringing the different interests together.

Future planning raises a number of significant policy issues for the government. The diversity of the local residents - both aboriginal and non-aboriginal - requires much work to bring people together to see how their many interests can be met.

No single ministry can resolve the many issues, or even take the lead on them all. A major challenge to the government will be finding mechanisms to ensure that necessary activity can take place in a co-ordinated manner.

The transition to a new way of doing business in the basin - like all transitions - will not always be easy or straightforward. Elements of the old and the new will occur at the same time.

The following recommendations arise from the consultations in the Moose River Basin. They are an approach, not a negotiating position. They allow for change and refinement.

Progress on a number of fronts:

Over the next few years, a new co-planning regime which recognizes the role of First Nation governments needs to be established, as well as the basis to assess the cumulative environmental impacts of development.

At the same time, every community - aboriginal and non-aboriginal - wants some development and jobs. Instead of moratoriums on development, the Province needs to systematically address - with First Nations and others - the range of long and short term needs.

In the long run, this writer's view is that significant development in the Moose River Basin will be subject to a tripartite regime with local aboriginal and non-aboriginal interests and the provincial government taking part. It is premature to envision the role of the parties or the level of control or decision-making. This tripartite regime would simplify the environmental assessment processes, while maintaining appropriate standards.

Long term planning and immediate hydraulic developments - the two areas in the mandate and goal of the Moose River Basin Consultations - pull in different directions. However, only by making progress on the planning issues will progress be made on the hydraulic developments. The conclusion of these consultations is that the hydraulic projects cannot go ahead without tackling the larger policy issues.

To make progress requires that a number of processes move forward in parallel. Each process has its own dynamics but their interweaving will provide opportunities to make fundamental advances.

There needs to be positive developments in the following areas:

- establishing aboriginal self-government in the area, which defines the role of natives and their organizations in co-planning and co-management;
- establishing on-going discussion between aboriginal and non-aboriginal residents and interests who share the land and resources in the basin;
- developing, over time, an assessment of the cumulative impacts of development in the basin on the environment;
- co-ordination and initiation of government and private sector economic development initiatives, including joint ventures with First Nations;
- addressing aboriginal grievances about past development; and
- measures to deal with the Mattagami Complex and the two proposals from the private sector for non-utility-generators.

The on-going consultation and the final negotiations with aboriginal people will establish the basis for a long term planning regime in the Moose River Basin.

Planning, past and future development, aboriginal issues and environmental questions are closely linked in reality. In the past, attempts to solve only one aspect of a situation, especially when aboriginal rights are involved, have led to a lack of resolution. Only by unravelling the issues and moving them towards resolution will the foundations for mutually acceptable growth occur.

Areas of activity:

Aboriginal self-government:

Aboriginal self-government negotiations are fundamental to progress on a planning regime, because they define the native role in co-planning and co-management.

Presently negotiations for a framework agreement on self-government are taking place with the Nishnawbe-Aski Nation, which includes the First Nations in the basin. The government should make a commitment to self-government negotiations in the James Bay/Moose River area as soon as the NAN Framework is in place. In preparation for these regional negotiations, the government and the First Nations should undertake research and consultation among aborigines - including those who are not members of NAN - to develop approaches within the parameters established in the over-riding negotiations with NAN.

As a separate initiative, the government should investigate the particular situation of the Mocreebec - through discussions with the appropriate federal, Ontario, Quebec, Mocreebec and Grand Council of the Cree representatives - to assess Ontario's obligations and commitments to the Mocreebec, whose only treaty rights presently stem from the 1975 James Bay Northern Quebec Agreement.

On-going consultation:

Ongoing consultation among residents and interests in the basin is essential. It will allow for third party appreciation of aboriginal self-government and its implications for co-planning. It will also establish the basis for a basin-based planning regime. That regime will be some

variation of a tripartite decision making body and process, involving the aboriginal community, non-native communities and interests, and the provincial government.

The role of the Moosonee Development Area Board and the Moose Factory Local Services Board will require particular attention. As predominantly native communities that are not First Nations, they have characteristics that distinguish them from First Nations and from the non-native municipalities.

The quiet diplomacy of the consultation was the right approach to the Moose River Basin. It allowed for creative thinking about solutions instead of the posturing often brought on by a public, formal process. This informal process should continue. In particular local aboriginal and non-aboriginal leaders and spokespeople should be encouraged to meet together. Workshops, conferences and other forums should be organized where appropriate.

Cumulative effects assessment:

The aboriginal people, the community of Moosonee, those tourist operators who rely on pursuits such as fishing, and many individuals have significant concerns about the environment. In a watershed, the cumulative effects of development affecting the water must be determined to have a complete understanding of the environmental impacts.

A provincial approach to cumulative environmental impacts is needed as soon as possible which would define, but not be limited to, such issues as focus, scope, public participation particularly by aboriginal interests, methods of study and analysis.

An approach to implementation should then be worked out with Ontario Hydro, federal government and local residents particularly aborigines.

Co-ordination of economic development initiatives:

It would be helpful if government initiatives related to economic development in the Moose River Basin could be co-ordinated. All ministries and agencies should be included particularly Ontario Hydro, the

Ontario Energy Corporation and the Ontario Northland Transportation Commission. Independent initiatives could cause complications in the delicate negotiations with First Nations and discussions with non-natives concerning jurisdictional issues.

As well, economic initiatives may appear to natives as an attempt to avoid the over-riding political concerns of self-government and control of land and resources. On the other hand, the government should look for opportunities for itself or the private sector to support native economic development that would help move towards the self-sufficiency that is an important part of self-government.

Non-utility generation:

Pending decisions from Ontario Hydro, and based on discussions with aboriginal people, the government should allow the proponents to move through the environmental approval process the 14.5 MW N-R Power proposal at Long Sault Rapids on the Abitibi River near Cochrane and the New Post First Nation and the 12 MW Yellow/Island Falls proposal on the Mattagami River south of Smooth Rock Falls.

Grievances about past development:

There should be direct negotiation between Ontario Hydro and aborigines concerning grievances about past Ontario Hydro developments, based on a signed agreement, facilitated by the government where necessary.

The government should review the First Nations lawsuit against Spruce Falls Paper Company and the Province in the light of a co-ordinated approach to future planning in the basin.

Mattagami Complex:

The government should release its review of the environmental assessment as soon as possible. The first step in the ensuing public consultation should be discussions about the review between aboriginal and government representatives; and between the Moosonee Development Area Board and government. Possible terms and conditions can be explored. The Minister of Environment will decide after consultations on how to proceed.

The government should encourage Ontario Hydro to explore the possibility of guaranteeing economic and/or environmental benefits to the communities of Moosonee and Moose Factory Island from the Mattagami project.

First steps:

The government should immediately develop a workplan with First Nations - outlining agendas and time frames - that would address the following elements:

- research and consultation within the aboriginal community on jurisdiction over resources and land within the self-government framework presently being negotiated with Nishnawbe-Aski Nation;
- how to deal with grievances over past development;
- “Building Bridges” exercises with non-native communities;
- input into base line data collection initiative aimed at providing basis for assessment of cumulative environmental impacts of development;
- economic development initiatives, such as projects involving the Ontario Northland Transportation Commission;
- the two small private hydraulic proposals; and
- the government’s review of the environmental assessment of Ontario Hydro’s Mattagami complex.

The latter four issues should also be discussed with the Moosonee Development Area Board.

After the discussions on the coast, the government should carry out the workplan, inform the other communities and interests in the basin of the results, and, where appropriate, facilitate exchanges between communities and interests within the basin.

Co-ordination:

The government needs to establish mechanisms, such as a possible liaison person, to:

- maintain the efficient involvement of ministries, such as Natural Resources, Native Affairs, Energy, Environment, Tourism and Northern Development and Mines;
- consult with Ontario Hydro;
- ensure that the parallel processes are advancing;
- co-ordinate the activity where possible or appropriate; and
- move decisively when needed.

IN CONCLUSION

While the situation in the Moose River Basin is complex and fragile, there is cause for cautious optimism. The government has the possibility to usher in a new approach in northern Ontario. The lessons learned in the Moose River Basin will help the government resolve planning, development, environmental and aboriginal issues to the mutual benefit of all residents.

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